

Company Registration No: 06291766

Worldwide Clinical Trials Limited

Annual Report and Financial Statements for the Year Ended 31 December 2016



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Board of Directors and Advisors

Directors

David M. Butler
Michael R. Denvir
Peter D. Suffredini
Dir. Angelico Carta

Secretary

SNR Denton Secretaries Limited

Company Number

06291766

Registered Office

One Fleet Place
London
EC4M 7WS

Bankers

HSBC Bank PLC
1st Floor, The Arc
NG2 Business Park
Enterprise Way
Nottingham
NG2 1EN

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Donington Court
Pegasus Business Park
Herald Way
East Midlands
DE74 2UZ

Strategic Report

For the Year Ended 31 December 2016

The directors present their strategic report for the year ended 31 December 2016.

Principal Activities and Review of the Business

The Group's principal activity for the year continued to be the provision of clinical research services to the pharmaceutical industry.

The Group's key financial indicators of performance during the year were as follows:

	2016 £000s	2015 £000s	Change £000s
Turnover	53,678	41,860	11,818
Group Operating Profit/(Loss)	8,887	1,285	7,602
Total Equity	1,395	(7,131)	8,526
Current Assets as a % of Current Liabilities	92.9%	74.6%	18.3%
Current Assets as a % of Current Liabilities Excluding Amounts Owed By and From Fellow Group Undertakings	140.1%	113.1%	27.0%

Turnover increased by 28% in 2016, a 17% improvement on the previous year driven primarily by additions to the Group order book in late 2015. The Group maintained its focus on specific areas of the market to continue to solidify its reputation of being an expert in the therapeutic areas it operates within.

The frequently reviewed and adjusted internal restructure process that was initiated a few years back continues to deliver results in every area of the business. There is a constant effort made to improve the efficiency of the group. This is demonstrated by direct costs showing a small reduction whilst delivering a higher turnover, as well as an increase of £7.602m increase in operating profit.

The director's expectations in previous years that the restructuring would enable the Group to achieve growth across revenue, profit and profitability is evidenced by the results achieved in 2016. The directors continue to be confident that the strategy they have put in place will allow the Group to grow further whilst improving the quality of the contract services delivered.

Principal Risks and Uncertainties

The Group is exposed to a range of business and financial risks which have the potential to adversely affect the operating results and financial condition of the business. The principal risks and how they are mitigated is set out below:

The loss or modification of large or multiple contracts

The Group has a broad customer base with a significant number of individual contracts which limits the impact of potential adverse changes to, or cancellations of, projects.

The competitive nature of the industry

The strength of customer relationships founded on the Group's reputation for quality service delivery combined with the scale and geographical coverage of the Worldwide Clinical Trials group underpins the Group's ability to win new business.

Worldwide Clinical Trials Limited

The high degree of regulation in the industry

The Group could be adversely affected by non-compliance with, or even changes to, regulations governing the clinical trials industry. The Group has invested heavily in internal quality controls and adheres to a strict recruitment and training regime which ensures the highest standards are maintained.

Credit risk arising from the potential for a counterparty to default on an amount owing to the company

The Group operates strict credit control measures, and the ongoing nature of the contracts gives the Group leverage should any default occur.

Exchange rate risk

A significant proportion of the Group's turnover is invoiced in foreign currencies, primarily US Dollars and Euros. Where possible, the Group generally ensures that customer contracts contain exchange rate variation provisions which protect the Group from the impact of fluctuating exchange rates.

Political, economic and socio-economic risk

Although the Group bears the primary risk and reward on the delivery of its contracts, the service it provides relies upon the contributions of Worldwide Clinical Trials operating companies throughout the world and the associated cross-border recharge of revenues and costs. The result of the UK referendum in May 2016 to leave the EU may present challenges to the existing structure of the business. At this early stage such challenges are entirely hypothetical and cannot be modelled or prepared for, but the Group will continue to pay close attention to developments and take action if and when it becomes appropriate to do so.

Similarly, the Group pays close attention to the rise of populism throughout the world and the potential impact political changes may have on its business.

On behalf of the Board



Angelico Carta

Director

Date: 6 OCTOBER 2017

Directors' Report

For the Year Ended 31 December 2016

The directors present their report and the audited financial statements of the Group and Company for the year ended 31 December 2016.

Future Developments

2016 has seen a continuation of the successes instigated by the changes in 2015. Internal restructuring and focus on talent acquisition continued into 2016 in the key areas of business development and therapeutic expertise. The directors are confident that focus on key therapeutic areas will continue to grow the company's order book, contributions to revenue growth and drive efficient and effective delivery to support profitability.

The directors believe that the Group's prospects, as part of the Worldwide Clinical Trials group of companies, are very good still.

Dividends

No dividends were paid during the year (2015: £Nil). The directors do not propose that a dividend is paid.

Going Concern

The Group had net current liabilities of £4,691,389 at 31 December 2016 (2015: £14,287,844). However, in the directors' opinion, the Group can continue as a going concern in the light of the favourable trading outlook, its significant cash balances as at 31 December 2016, and the continued support that is available from the wider Worldwide Clinical Trials group which includes confirmation from the principal non-UK group intercompany creditors that they will only require payment of monies owed to them to the extent that the UK companies have sufficient funds to do so. In total, the Group had £48,427,234 (2015: £35,399,410) owed to fellow group undertakings which is included in current liabilities.

Directors

The directors who served the Company during the year and up to the date of this report were as follows:

David M. Butler

Michael R. Denvir

Peter D. Suffredini

Dr. Angelico Carta

Directors' Qualifying Third-Party Indemnity Provisions

The Group has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Research and Development

The Group continues to invest in research and development, particularly in relation to its proprietary clinical trial management software applications. The directors recognise that continued investment in research and development is essential to the long term success and growth of the business.

Employee involvement

The Group recognises the value of keeping employees involved and informed on its progress and performance. For this purpose, regular communications are sent from several senior officers by email as well as face to face updates. Employment related documents are made available in the Group's intranet that can be referred to as and when required, by employees. Employees have a regular staff forum meeting that reports back to senior management with any suggestions or concerns the teams may have. At present the Group does not offer an employee share scheme, but does have an annual bonus program which rewards employees when the Group meets their profitability targets.

The Group strongly believes in equal opportunities in employment and opposes all forms of unlawful or unfair discrimination on the grounds of age, religion, nationality, race, ethnic and/or sexual orientation, gender or gender reassignment, marital status or disability.

Worldwide Clinical Trials Limited

The Group has a policy to give, whenever possible, equal consideration to any disabled candidates applying for employment. Should an employee become disabled during employment, they would be assessed to consider reasonable adjustments to their role if required. Any current employees that are, or become disabled, are handled in the same way as abled bodied employees in terms of their training and career development.

Post Balance Sheet Events

No events have directly affected the Group or Company since the reporting date. However, the directors continue to pay close attention to the potential risks presented to the business by the UK vote in May 2016 to leave the EU and other political events throughout the world which may have similar impacts.

Branches Outside the UK

The financial statements of the Company and Group include the results of the operations of 'Worldwide Clinical Trials Limited Londra Sucursala Bucuresti' - a branch in Romania.

Disclosure of Information to the Auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing its report, of which the auditors are unaware. Having made enquiries of fellow directors and the Group's auditors, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information.

Independent Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be put to the members at the Annual General Meeting.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board



Dr. Angelico Carta

Director

Date: 6 OCTOBER 2017

Independent auditors' report
to the members of Worldwide Clinical Trials Limited

Report on the financial statements

Our opinion

In our opinion, Worldwide Clinical Trials Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2016 and of the group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Consolidated Statement of Financial Position and Company Statement of Financial Position as at 31 December 2016;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Cash Flows for the year then ended;
- the Consolidated Statement of Changes in Equity and Company Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group, the company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Worldwide Clinical Trials Limited

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

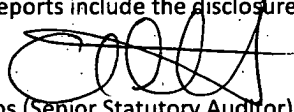
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Christopher Hibbs (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands

6 October 2017

Consolidated Statement of Comprehensive Income

Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover	5	53,677,871	41,860,028
Cost of Sales		(30,005,721)	(25,355,357)
Gross Profit		23,672,150	16,504,671
Administrative Expenses		(14,784,797)	(15,219,958)
Operating Profit	6	8,887,353	1,284,713
Interest Receivable and Similar Income	8	26	384
Interest Payable and Similar Expenses	8	(142,794)	(133,639)
Net Interest Expense	8	(142,768)	(133,255)
Profit Before Taxation		8,744,585	1,151,458
Tax on Profit	9	(283,139)	(417,748)
Profit for the Financial Year		8,461,446	733,710
Other Comprehensive Income/(Expense)			
Currency Translation Differences		64,936	(13,894)
Total Comprehensive Income for the Financial Year		8,526,382	719,816

The Company has elected to take advantage of the exemption under S408 of the Companies Act 2006 not to present the Company Profit and Loss Account.

The profit for the Company for the financial year was £8,960,457 (2015: £1,232,721).

Consolidated Statement of Financial Position

As at 31 December 2016

	Note	2016 £	2015 £
Fixed Assets			
Intangible Assets	10	5,410,707	5,951,451
Tangible Assets	11	1,438,932	1,728,863
Investments	12	1,886	1,886
		6,851,525	7,682,200
Current Assets			
Debtors	13	60,286,557	36,067,844
Cash At Bank and In Hand		3,001,929	5,903,507
		63,288,486	41,971,351
Non-Current Assets			
Debtors: Amounts Falling Due After More Than One Year	13	77,772	81,513
		77,772	81,513
Creditors: Amounts Falling Due Within One Year	14	(67,979,875)	(56,259,195)
Net Current Liabilities		(4,691,389)	(14,287,844)
Total Assets Less Current Liabilities		2,237,908	(6,524,131)
Creditors: Amounts Falling Due After More Than One Year	14	(682,714)	(402,062)
Provisions for Liabilities	16	(160,000)	(204,995)
Net Assets/(Liabilities)		1,395,194	(7,131,188)
Capital and Reserves			
Called Up Share Capital	17	6,810,001	6,810,001
Capital Contribution Reserve	18	390,000	390,000
Accumulated Losses	18	(5,804,807)	(14,331,189)
Equity Attributable to the Owners of the Parent		1,395,194	(7,131,188)
Total Equity		1,395,194	(7,131,188)

The notes on pages 13 to 28 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and were signed on its behalf.



Dr. Angelico Carta

Director

Date: 6 OCTOBER 2017

Worldwide Clinical Trials Limited

Company Registration No. 06291766

Company Statement of Financial Position

As at 31 December 2016

	Note	2016 £	2015 £
Fixed Assets			
Intangible Assets	10	4,760	46,493
Tangible Assets	11	1,438,932	1,728,863
Investments	12	1,886	1,886
		1,445,578	1,777,242
Current Assets			
Debtors	13	60,286,557	36,067,844
Cash At Bank and In Hand		3,001,929	5,903,507
		63,288,486	41,971,351
Non-Current Assets			
Debtors: Amounts Falling Due After More Than One Year	13	77,772	81,513
		77,772	81,513
Creditors: Amounts Falling Due Within One Year	14	(71,210,314)	(59,489,634)
Net Current Liabilities		(7,921,828)	(17,518,283)
Total Assets Less Current Liabilities		(6,398,478)	(15,659,528)
Creditors: Amounts Falling Due After More Than One Year	14	(682,714)	(402,062)
Provisions for Liabilities	16	(160,000)	(204,995)
Net Liabilities		(7,241,192)	(16,266,585)
Capital and Reserves			
Called Up Share Capital	17	6,810,001	6,810,001
Capital Contribution Reserve	18	390,000	390,000
Accumulated Losses	18	(14,441,193)	(23,466,586)
Equity Attributable to the Owners of the Parent		(7,241,192)	(16,266,585)
Non-Controlling Interests		0	0
Total Equity		(7,241,192)	(16,266,585)

The notes on pages 13 to 28 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and were signed on its behalf.



Dr. Angelico Carta
Director

Date: 6 OCTOBER 2017

Worldwide Clinical Trials Limited
Company Registration No. 06291766

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2016

	Note	2016 £	2015 £
Net Cash from Operating Activities	19	(1,656,631)	3,023,123
Taxation Paid	9	(881,632)	(106,225)
Net Cash (used in) / Generated from Operating Activities		(2,538,263)	2,916,898
Cash Flow from Investing Activities			
Purchase of Tangible Assets		(253,485)	(1,535,464)
Interest Received	8	26	384
Net Cash Used in Investing Activities		(253,459)	(1,535,080)
Cash Flow from Financing Activities			
Repayment of Obligations under Finance Leases	15	(31,998)	(72,867)
Interest Paid	8	(142,794)	(133,639)
Net Cash Used in Financing Activities		(174,792)	(206,506)
Net (Decrease) / Increase in Cash and Cash Equivalents		(2,966,514)	1,175,312
Cash and Cash Equivalents at the Beginning of the Year		2,303,507	1,142,089
Exchange Gains / (Losses) on Cash and Cash Equivalents		64,936	(13,894)
Cash and Cash Equivalents at the End of the Year		(598,071)	2,303,507
Cash and Cash Equivalents Consists of:			
Cash at Bank and In Hand		3,001,929	5,903,507
Loans (included in <i>Creditors - Amounts Falling Due Within One Year</i>)	14	(3,600,000)	(3,600,000)
		(598,071)	2,303,507

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2016

	Called Up Share Capital £	Capital Contribution Reserve £	Accumulated Losses £	Total Equity £
Balance as at 1 January 2015	6,810,001	390,000	(15,051,005)	(7,851,004)
Profit for the Financial Year	0	0	733,710	733,710
Other Comprehensive Expense for the Year	0	0	(13,894)	(13,894)
Total Comprehensive Income for the Year	0	0	719,816	719,816
Balance as at 31 December 2015	6,810,001	390,000	(14,331,189)	(7,131,188)
Balance as at 1 January 2016	6,810,001	390,000	(14,331,189)	(7,131,188)
Profit for the Financial Year	0	0	8,461,446	8,461,446
Other Comprehensive Income for the Year	0	0	64,936	64,936
Total Comprehensive Income for the Year	0	0	8,526,382	8,526,382
Balance as at 31 December 2016	6,810,001	390,000	(5,804,807)	1,395,194

Company Statement of Changes in Equity

For the Year Ended 31 December 2016

	Called Up Share Capital £	Capital Contribution Reserve £	Accumulated Losses £	Total Equity £
Balance as at 1 January 2015	6,810,001	390,000	(24,685,413)	(17,485,412)
Profit for the Financial Year	0	0	1,232,721	1,232,721
Other Comprehensive Expense for the Year	0	0	(13,894)	(13,894)
Total Comprehensive Income for the Year	0	0	1,218,827	1,218,827
Balance as at 31 December 2015	6,810,001	390,000	(23,466,586)	(16,266,585)
Balance as at 1 January 2016	6,810,001	390,000	(23,466,586)	(16,266,585)
Profit for the Financial Year	0	0	8,960,457	8,960,457
Other Comprehensive Income for the Year	0	0	64,936	64,936
Total Comprehensive Income for the Year	0	0	9,025,393	9,025,393
Balance as at 31 December 2016	6,810,001	390,000	(14,441,193)	(7,241,192)

The Capital Contribution Reserve relates to paid in capital from WCT Cyprus on the acquisition of Worldwide Clinical Trials Ltd.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1. Company Information

Worldwide Clinical Trials Limited and its subsidiaries (together "the Group") operates Phase 2-4 clinical trials across a broad range of therapeutic areas, providing analytical and technological solutions to pharmaceutical companies throughout the world.

The company is a private company limited by shares and is incorporated in England. The address of its registered office is One Fleet Place, London EC4M 7WS.

2. Statement of Compliance

The Group and individual financial statements of Worldwide Clinical Trials Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS102") and the Companies Act 2006.

3. Principal Accounting Policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Basis of Preparation

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires management to make significant judgements and estimates. The areas involving a higher degree of judgement, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

The Company has taken advantage of the exemption in S408 of the Companies Act 2006 from disclosing its individual profit and loss account.

The financial statements of the parent company include the results of its branch in Romania. The details of this branch are disclosed in note 12.

3.2 Going Concern

The Group meets its day-to-day working capital requirements through its own bank facilities and through the pooling of working capital with the wider Worldwide Clinical Trials group of companies.

After reviewing the Group's forecasts and projections, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2016

3. Principal Accounting Policies (continued)

3.3 Exemptions for Qualifying Entities Under FRS102

FRS102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions being complied with. These conditions include the notification of, and no objection to, the use of these exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- (i) the preparation of a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows included in these financial statements includes the Company's cash flows;
- (ii) the disclosure of the Company key management personnel compensation, as required by FRS102, paragraph 33.7.

3.4 Basis of Consolidation

The Group consolidated financial statements include the financial statements of the Company and its subsidiary and branch undertakings.

Where a subsidiary or branch has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

3.5 Foreign Currency

The Group's financial statements are presented in Pound Sterling and are rounded to the nearest Pound.

The Company's functional and presentation currency is Pound Sterling, incorporating the Company's branch in Romania whose functional currency is Romanian Leu.

Foreign currency transactions are translated into functional currency using the spot exchange rates at the dates of the transactions. At each period end, foreign currency monetary balances are translated using the closing exchange rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies using period-end exchange rates, are recognised in the profit and loss account within 'Administrative Expenses'.

The trading results of the Company's branch in Romania are translated into Pound Sterling at the average exchange rate for the year. The assets and liabilities of the branch are translated at the year-end exchange rate. Adjustments arising from the translation of the brought-forward Balance Sheet and from the translation of trading performance at average rates are recognised in 'Other Comprehensive Income'.

Notes to the Financial Statements

For the Year Ended 31 December 2016

3. Principal Accounting Policies (continued)

3.6 Revenue Recognition

Revenue is measured at the fair value of the sale of services rendered to external customers, net of value added tax, rebates, and discounts. Expenses and disbursements recharged to customers are not included in revenue.

Service revenue on contracts is recognised as services are performed where progress is measured by reference to the percentage of completion of the work. The majority of the Group's revenue arrangements include multiple deliverables. In such cases the overall consideration is allocated to the separate deliverables, based on each element's fair value. Evidence of fair value is determined by reference to agreements with other customers where elements are sold separately. The Group considers the applicable revenue recognition criteria separately for each of the separate elements of the services.

Where invoicing milestones on service arrangements are such that the proportion of work performed is greater than the proportion of the total contract value which has been invoiced, the Group evaluates whether it has obtained, through its performance to date, the right to the un-invoiced consideration and therefore whether revenue should be recognised. Where the Group considers there to be sufficient evidence that it has the right to consideration, taking into account this criteria, revenue is recognised and included in accrued income until invoiced.

The Group makes significant estimates in applying its revenue recognition policies. In particular, estimates are made in relation to the use of the percentage-of-completion accounting method, which requires that the extent of progress toward completion of contracts may be anticipated with reasonable certainty.

3.7 Tangible Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible assets, using the straight-line method, at rates calculated to write-off the cost less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Fixtures and fittings	- 5 years
Leasehold property and improvements	- over the remaining lease period
Computer equipment	- 3 years

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

3.8 Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided on all intangible assets, using the straight-line method, at rates calculated to write-off the cost less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Software	- 3 years
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Notes to the Financial Statements

For the Year Ended 31 December 2016

3. Principal Accounting Policies (continued)

3.9 Goodwill

Positive goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life up to a presumed maximum of 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

If a subsidiary, associate or business is subsequently sold or closed, any goodwill arising on acquisition that was written off directly to reserves or that has been amortised through the profit or loss account is taken into account in determining the profit or loss on sale or closure.

3.10 Investments

Investment in a subsidiary company is recorded at cost.

The carrying value of investment is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

3.11 Taxation

The charge or credit for taxation for the period comprises current and deferred tax recognised in the reporting period, taking into consideration timing differences arising as a result of different treatments of certain items for taxation and accounting purposes.

3.11.1 Current Tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. It also includes the tax charge deducted from the gross credit received in the UK in respect of the Research and Development Expenditure Credit ('RDEC').

3.11.2 Deferred Taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exceptions:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.
- Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the Financial Statements

For the Year Ended 31 December 2016

3. Principal Accounting Policies (continued)

3.12 Leasing and Hire Purchase Commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Group, and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the assets' useful lives.

The capital elements of future obligations are included as liabilities in the balance sheet. The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Lease incentives are recognised over the shorter of the lease term and the date of the next rent review.

3.13 Employee Benefits

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

3.13.1 Short-Term Benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as expenses in the period in which the benefit is taken or relates to.

The Company also recognises the net expense of any unused holiday entitlement owed to employees under its contractual obligations at the year-end date. The liability associated with this expense is included in the Balance Sheet under '*Creditors – Amounts Falling Due Within One Year*'.

3.13.2 Pensions

The Company operates a number of country-specific defined contribution pension schemes for its employees. The Company makes fixed contributions to third-party entities (the providers of those pension plans), after which it has no further payment obligations.

The contributions are recognised as an expense when they are due. Amounts not paid are shown in Accruals in the Balance Sheet (under '*Creditors – Amounts Falling Due Within One Year*').

3.14 Provisions

Provisions are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation;
- the amount of the obligation can be estimated with a high degree of reliability based on information to hand.

Notes to the Financial Statements

For the Year Ended 31 December 2016

4. Accounting Judgements and Estimation Uncertainty

Estimates and judgements are evaluated and based on historical experience, professional recommendations or other factors, including expectations of events that are believed to be reasonable under the circumstances.

4.1 Employee Benefits – Liability for Annual Bonus

The Company takes into account budget expectations, Group performance in the year and historical trend to assess its liability for employee bonuses.

4.2 Provisions

Provision is made for dilapidations only when management of the Company can reasonably estimate the cost that will be incurred based on legislative and contractual obligations.

4.3 Deferred Tax Asset

Exercising a consistently prudent approach, the Group has once again elected not to recognise the deferred tax asset in the Balance sheet as at 31 December 2016 due to uncertainty as to whether the asset will be able to be utilised in the immediate future.

5. Turnover

Turnover from ordinary activities is analysed by geographical area as follows:

	2016	2015
	£	£
USA	31,048,850	20,665,246
UK	4,960,980	4,003,064
Europe	12,714,315	10,046,692
Rest of World	4,953,726	7,145,026
	53,677,871	41,860,028

Turnover was generated from the provision of services.

6. Operating Profit

Operating Profit is stated after charging:

	2016	2015
	£	£
Operating Lease Rental:		
- Land and buildings	478,081	452,665
- Other	11,300	13,957
(Profit)/Loss on disposal of fixed assets	(870)	33,424
Depreciation	543,416	565,565
Amortisation of intangible assets	41,733	43,796
Amortisation of goodwill	499,010	499,010
Foreign Exchange Losses	473,835	384,790
Fees payable to the Company's auditors for the audit of the Company's financial statements	44,000	41,000
Fees payable to the Company's auditors and their associates for other services:		
The audit of the Company's subsidiaries	10,000	10,000
Total amount payable to the Company's auditors	54,000	51,000

Notes to the Financial Statements

For the Year Ended 31 December 2016

7. Employees and Directors

Employees

The average monthly number of employees (including executive directors) employed by the Group during the year was:

	2016 No.	2015 No.
Fee-Earning	203	216
Administrative	70	61
	273	277

Staff costs during the year (including those of executive directors) were as follows:

	2016 £	2015 £
Wages and Salaries	14,047,804	13,824,052
Social Security Costs	1,458,013	1,536,428
Other Pension Costs	809,321	397,886
	16,315,138	15,758,366

	2016 £	2015 £
Fee-Earning	11,042,612	10,297,731
Administrative	5,272,526	5,460,635
	16,315,138	15,758,366

Directors

The directors' emoluments were as follows:

	2016 £	2015 £
Aggregate Emoluments	423,172	683,740

In respect of the highest paid director:

	2016 £	2015 £
Aggregate Emoluments	405,102	408,072

The directors of the company are also directors of a number of other companies in the Worldwide Clinical Trials group. The directors received total remuneration for the year of £423,172 from Worldwide Clinical Trials Limited of which they estimate £232,293 (2015: £379,209) relates to qualifying services for other companies.

During the year, no directors (2015: none) were members of defined contribution pension schemes.

Notes to the Financial Statements

For the Year Ended 31 December 2016

8. Net Interest Expense

8.1 Interest Receivable and Similar Income

	2016	2015
	£	£
Interest Receivable	26	384
	26	384

8.2 Interest Payable and Similar Expenses

	2016	2015
	£	£
Interest Payable to Other Group Companies	140,514	128,676
Finance Lease Interest	2,280	4,963
	142,794	133,639

8.3 Net Interest Expense

	2016	2015
	£	£
Interest Receivable and Similar Income	26	384
Interest Payable and Similar Expenses	(142,794)	(133,639)
Net Interest Expense	(142,768)	(133,255)

9. Tax on Profit

9.1 Tax Charge Included in the Profit and Loss

	2016	2015
	£	£
Current Tax		
- UK Corporation Tax on Profits for the Year	0	0
- Foreign Corporation Tax on Profits for the Year	1,415	12,188
- Adjustments in Respect of Prior Periods	281,724	405,560
Total Current Tax	283,139	417,748
Deferred Tax	0	0
Tax on Profit	283,139	417,748

Notes to the Financial Statements

For the Year Ended 31 December 2016

9. Tax on Profit (continued)

9.2 Reconciliation of Tax Charge

Tax assessed for the year is lower (2015: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2016 of 20.00% (2015: 20.25%). Factors affecting current tax charge for the current year are explained below:

	2016 £	2015 £
Profit Before Tax	8,744,585	1,151,458
Profit Multiplied by the Standard Rate of Tax in the UK of 20.00% (2015: 20.25%)	1,748,917	233,170
Effects of:		
- Expenses Not Deductible for Tax Purposes	123,200	124,141
- Overseas Taxes	1,415	12,188
- Adjustments to Tax Charge in Respect of Prior Periods	281,724	405,560
- Utilisation of Unrecognised Tax Losses	(1,614,290)	(358,092)
- R&D Tax Credit	(270,814)	0
- Items Charged in Other Comprehensive Income	12,987	781
Tax Charge for the Year	283,139	417,748

9.3 Deferred Tax

The unrecognised deferred tax asset comprises:

	2016 £	2015 £
Fixed Asset Timing Differences	0	(11,579)
Short Term Timing Differences	22,857	37,424
R&D Expenditure Credit	375,906	94,207
Loan Relationship Deficit	9,025	9,487
Tax Losses	324,386	1,985,935
Deferred Tax Asset at the End of the Year	732,174	2,115,474

9.4 Factors Affecting Future Tax Charges

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015.

As the change to 17% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements. The overall effect of that change, if it had applied to the deferred tax balance at the balance sheet date, would have been immaterial.

Notes to the Financial Statements

For the Year Ended 31 December 2016

10. Intangible Assets

Group	Goodwill £	Software £	Total £
As at 31 December 2015			
Cost	9,980,210	131,389	10,111,599
Accumulated Amortisation	(4,075,252)	(84,896)	(4,160,148)
Net Book Amount	5,904,958	46,493	5,951,451
Year Ended 31 December 2016			
Opening Net Book Amount	5,904,958	46,493	5,951,451
Amortisation	(499,011)	(41,733)	(540,744)
Closing Net Book Amount	5,405,947	4,760	5,410,707
As at 31 December 2016			
Cost	9,980,210	131,389	10,111,599
Accumulated Amortisation	(4,574,263)	(126,629)	(4,700,892)
Net Book Amount	5,405,947	4,760	5,410,707
Company		Software £	Total £
As at 31 December 2015			
Cost		131,389	131,389
Accumulated Amortisation		(84,896)	(84,896)
Net Book Amount		46,493	46,493
Year Ended 31 December 2016			
Opening Net Book Amount		46,493	46,493
Amortisation		(41,733)	(41,733)
Closing Net Book Amount		4,760	4,760
As at 31 December 2016			
Cost		131,389	131,389
Accumulated Amortisation		(126,629)	(126,629)
Net Book Amount		4,760	4,760

Notes to the Financial Statements

For the Year Ended 31 December 2016

11. Tangible Assets

Group	Land and Buildings £	Fixtures and Fittings £	Computer Equipment £	Total £
Cost				
As at 01 January 2016	1,121,032	166,727	1,774,087	3,061,846
Additions	10,657	690	242,138	253,485
Disposals	0	0	(46,605)	(46,605)
As at 31 December 2016	1,131,689	167,417	1,969,620	3,268,726
Accumulated Depreciation				
As at 01 January 2016	(183,936)	(11,430)	(1,137,617)	(1,332,983)
Depreciation Provided in the Year	(112,682)	(33,106)	(397,628)	(543,416)
Disposals	0	0	46,605	46,605
As at 31 December 2016	(296,618)	(44,536)	(1,488,640)	(1,829,794)
Net Book Value at 31 December 2016	835,071	122,881	480,980	1,438,932
Net Book Value at 31 December 2015	937,096	155,297	636,470	1,728,863

Company	Land and Buildings £	Fixtures and Fittings £	Computer Equipment £	Total £
Cost				
As at 01 January 2016	1,121,032	166,727	1,774,087	3,061,846
Additions	10,657	690	242,138	253,485
Disposals	0	0	(46,605)	(46,605)
As at 31 December 2016	1,131,689	167,417	1,969,620	3,268,726
Accumulated Depreciation				
As at 01 January 2016	(183,936)	(11,430)	(1,137,617)	(1,332,983)
Depreciation Provided in the Year	(112,682)	(33,106)	(397,628)	(543,416)
Disposals	0	0	46,605	46,605
As at 31 December 2016	(296,618)	(44,536)	(1,488,640)	(1,829,794)
Net Book Value at 31 December 2016	835,071	122,881	480,980	1,438,932
Net Book Value at 31 December 2015	937,096	155,297	636,470	1,728,863
Cost				
As at 01 January 2016	1,121,032	166,727	1,774,087	3,061,846

Notes to the Financial Statements

For the Year Ended 31 December 2016

12. Investments

Group	2016 £	2015 £
As at 01 January and 31 December	1,886	1,886

Company	2016 £	2015 £
As at 01 January and 31 December	1,886	1,886

Associates	Type of Shares Held	Proportion Held	Value Held	Country of Incorporation
Worldwide Clinical Trials SRL	Ordinary	10.9%	197	Suipacha 268, piso 12, C1008AAF Ciudad A. de Buenos Aires, Argentina
Worldwide Clinical Trials Saglik Hizmetleri Limited Sirketi	Ordinary	1.0%	1,689	Maya Akar Center, Büyükdere Cad. Maya Akar Center, 100-102 C Blok No:4 34394, Esentepe-Şişli/Istanbul, Turkey
			1,886	

Subsidiaries	Type of Shares Held	Proportion Held	Value Held	Country of Incorporation
Worldwide Clinical Trials UK Limited	Ordinary	100%	-	One Fleet Place, London EC4M 7WS

The investment in Worldwide Clinical Trials UK Limited was fully impaired in the financial statements of the Company in 2014.

13. Debtors

13.1 Amounts Falling Due Within One Year

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Trade Debtors	15,392,748	3,886,423	15,392,748	3,886,423
Amounts Owed by Group Undertakings	35,762,505	18,405,775	35,762,505	18,405,775
Amounts Recoverable on Contracts	7,823,368	12,312,644	7,823,368	12,312,644
Prepayments and Accrued Income	602,721	730,066	602,721	730,066
Other Debtors	106,722	732,936	106,722	732,936
Corporation Tax Debtor	598,493	0	598,493	0
	60,286,557	36,067,844	60,286,557	36,067,844

Amounts owed by group undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

13.2 Amounts Falling Due After More Than One Year

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Other Debtors	77,772	81,513	77,772	81,513
	77,772	81,513	77,772	81,513

Notes to the Financial Statements

For the Year Ended 31 December 2016

14. Creditors

14.1 Amounts Falling Due Within One Year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade Creditors	1,121,091	1,461,093	1,121,089	1,461,093
Amounts Owed to Group Undertakings	48,427,234	35,399,410	51,657,674	38,629,849
Loan Due to Parent Undertaking	3,600,000	3,600,000	3,600,000	3,600,000
Contract Payments on Account	9,401,700	10,814,011	9,401,700	10,814,011
Finance Leases	0	31,998	0	31,998
Taxation and Social Security	171,337	117,058	171,337	117,058
Grant Liabilities	565,485	392,344	565,485	392,344
Accruals and Deferred Income	4,693,028	4,443,281	4,693,028	4,443,281
	67,979,875	56,259,195	71,210,313	59,489,634

Included in cash is £607,290 (2015: £355,622) relating to cash held on behalf of customers. This is shown within grant liabilities above.

The Company has a loan from its parent undertaking, WCT Worldwide Clinical Trials Cyprus Limited. During the year the company made no capital repayments on this loan, leaving a principal amount of £3,600,000 (2015: £3,600,000) outstanding at the year end. The interest accumulated on the loan from WCT Worldwide Clinical Trials Cyprus Limited is recorded in the 'Amounts Owed to Group Undertakings'.

14.2 Amounts Falling Due After More Than One Year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Other Creditors	682,714	402,062	682,714	402,062
	682,714	402,062	682,714	402,062

15. Finance Leases

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Amounts Payable:				
Within One year	0	31,998	0	31,998
Between One to Five Years	0	0	0	0
	0	31,998	0	31,998

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

Notes to the Financial Statements

For the Year Ended 31 December 2016

16. Provisions for Liabilities

Group	Dilapidations Provision £	Total £
As at 01 January 2016	204,995	204,995
Movement	(44,995)	(44,995)
As at 31 December 2016	160,000	160,000

Company	Dilapidations Provision £	Total £
As at 01 January 2016	204,995	204,995
Movement	(44,995)	(44,995)
As at 31 December 2016	160,000	160,000

Dilapidations Provision

A dilapidations provision was made in 2015 relating to the Group's obligation under its property leasing arrangements for office premises vacated in December 2014 to repair damage caused by wear and tear and/or make good the premises for new tenants to the same standard as existed when the Group took the premises on. The liability is due for repayment during 2017.

17. Called Up Share Capital

Ordinary shares of £1 each

Group and Company	No.	2016 £	No.	2015 £
Allotted, Called-up and Fully Paid	6,810,001	6,810,001	6,810,001	6,810,001

18. Reconciliation of Movements in Reserves

Group	Called Up Share Capital £	Capital Contribution Reserve £	Accumulated Losses £	Total Equity £
As at 01 January 2015	6,810,001	390,000	(15,051,005)	(7,851,004)
Total Comprehensive Income for the Year	0	0	719,816	719,816
As at 31 December 2015 and 01 January 2016	6,810,001	390,000	(14,331,189)	(7,131,188)
Total Comprehensive Income for the Year	0	0	8,526,382	8,526,382
As at 31 December 2016	6,810,001	390,000	(5,804,807)	1,395,194

Notes to the Financial Statements

For the Year Ended 31 December 2016

18. Reconciliation of Movements in Reserves (continued)

Company	Called Up Share Capital £	Capital Contribution Reserve £	Accumulated Losses £	Total Equity £
As at 01 January 2015	6,810,001	390,000	(24,685,413)	(17,485,412)
Total Comprehensive Income for the Year	0	0	1,218,827	1,218,827
As at 31 December 2015 and 01 January 2016	6,810,001	390,000	(23,466,586)	(16,266,585)
Total Comprehensive Income for the Year	0	0	9,025,393	9,025,393
As at 31 December 2016	6,810,001	390,000	(14,441,193)	(7,241,192)

19. Notes to the Statement of Cash Flows

19.1 Reconciliation of Cash Flows from Operating Activities

	2016 £	2015 £
Profit for the Financial Year	8,461,446	733,710
Adjustments for:		
Tax on Profit	283,139	417,748
Net Interest Expense	142,768	133,255
Operating Profit	8,887,353	1,284,713
Amortisation of Intangible Assets	540,744	542,806
Depreciation of Tangible Assets	543,416	565,565
Loss on Disposal of Tangible Assets	0	33,424
Working Capital Movement:		
- Increase in Debtors	(23,616,479)	(13,592,827)
- Increase in Creditors	11,988,335	14,189,442
Cash Flow from Operating Activities	(1,656,631)	3,023,123

19.2 Analysis of Changes in Net Debt

	As at 01 January 2016 £	Cash Flows £	As at 31 December 2016 £
Cash at Bank and In Hand	5,903,507	(2,901,578)	3,001,929
Loan from Parent Undertaking	(3,600,000)	0	(3,600,000)
Finance Leases	(31,998)	31,998	0
Total	2,271,509	(2,869,580)	(598,071)

20. Pensions

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £809,321 (2015: £424,118). Contributions totalling £86,260 (2015: £92,185) were payable to the fund at the balance sheet date and are included in creditors.

Notes to the Financial Statements

For the Year Ended 31 December 2016

21. Other Financial Commitments

At 31 December, the Group and the Company had the following future minimum lease payments under non-cancellable operating leases as set out below:

	2016	2015
	£	£
<i>Payments Due</i>		
Not Later Than One Year	488,419	559,825
In Two to Five Years	1,491,406	1,620,098
Later Than Five Years	1,098,256	1,462,868
	3,078,081	3,642,791

22. Events Since the Balance Sheet Date

There have been no significant events affecting the Group or Company since the Balance Sheet date.

23. Related Party Transactions

The Company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the Worldwide Clinical Trials group.

24. Controlling Party

The Company's ultimate parent undertaking and controlling party, and the smallest and largest group to consolidate the financial statements, is Worldwide Clinical Trials Holdings LTD, a company incorporated in the Cayman Islands, whose registered address is Walkers SPV Limited, Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9002.

The Company's immediate parent undertaking is WCT Worldwide Clinical Trials Cyprus Limited, a company registered in Cyprus.